

Region VIII

Rocky Mountain States

**REGULATORY FAIRNESS BOARD HEARING**

Evanston, Wyoming

October 29, 2001

P R O C E E D I N G S

**MR. DESPAIN:** I'm Steve Despain and I'm the State Director for Wyoming for the Small Business Administration. And we just appreciate everybody taking time out of their schedules to come do this.

You know, regulation is one of those things that we all need but it has to be fair, it has to be equitable, and if you're not willing to step up to the plate and tell us what's wrong with it in the country, we can't fix it. Most agencies would like to fix anything that they find wrong, so we're just glad you're here today.

This law has been in affect for about five years. We'll talk a little bit more about that but we're the facilitator. SBA's just simply the facilitator for some of these rules.

What we're looking for are regulations that are fair, equitably distributed among small business, agriculture, and the flexibility. And that's what we're here for today is to make sure that the public is receiving the regulations that are necessary, are applied fairly.

Before we get started I'd like to introduce a couple of people. Stan Nakano is my counterpart in Salt Lake, the District Director for Salt Lake, and he brought with him today Steve Price, who is his Deputy Director, Blaine Andrus, the head of his Finance and part of his management team.

Mahlon Sorensen acts as my Deputy Director and he's really the one that is responsible for making this all happen, he and his assistant Sharon Nichols. And I couldn't go without introducing Bill Ellis. Bill is our Small Business Development Center Director out at Rock Springs that covers this part of the state.

Any small business that needs counseling help, he's available to do it free. You can contact him. And he's a great person, knows his business. Anytime we need something in this part of the state, he does a great job.

So with that I'll turn it over to our Regional Administrator, Mick Ringsak. He's just been appointed for Region Eight, which is North and South Dakota, Montana, Colorado, Utah, and Wyoming.

Mick comes out of Butte, Montana where he owns a shoe store. He understands big issues with small business. We don't have a big city person running our region. His only real agenda that he has is to make sure that rural gets their fair share of what goes on and that things are treated well in the rural areas. So with that Mick, I'll turn it over to you.

**MR. RINGSACK:** Thank you. Thank you all for coming. Region Eight consists of North Dakota, South Dakota, Montana, Wyoming, Colorado, and Utah.

And we're very, very fortunate to be represented on the Small Business Committee in the U.S. Senate by Senator Enzi, Senator Bennett from Utah, and Senator Burns from Montana. So we have people in Washington who understand our problems and are speaking for the business community in this area.

I would like to tell you that the SBA in the current Administration has become much more aware and much more positive towards small business and these hearings are very important to them. They will take action on what they hear.

And so the testimony you give today is very, very important and is not going to just get filed on some (inaudible). It will be taken back to Washington, considered and I can assure you that the SBA and Senator Enzi and his Committee will be acting on it.

And with that I'd like to introduce to you Michael Barrera, and he is our SBA Ombudsman and he will take the testimony from today back to Washington. And thank you for coming again. It's greatly appreciated.

**MR. BARRERA:** Thank you, everyone. Good morning. I thought it was important first of all when I first got appointed, was to try to figure out how to say the word Ombudsman. A lot of people had difficulty saying that word but it's gotten a chance to say it for the last month and a half and I'm so glad to be here.

This is really my first official Regulatory Fairness Hearing. And in joining the SBA, when they first told me about this particular position, I was intrigued by it because you find out -- just the stories I just heard before coming here this morning were real stories. They weren't just business stories; they were real stories and how they affect real people in regulatory fairness.

But we also have another advocate here who is just as strong for small business and in charge of regulatory fairness as anyone here in Washington and that's Senator Enzi.

And we're so pleased that he came here and helped co-sponsor this event -- came here at his invitation. He wanted to be sure that Wyoming is represented in Washington, make sure small business is represented, and make sure Wyoming small businesses are treated fairly. And so without further ado I'd like to introduce Senator Enzi. (Applause)

**SENATOR ENZI:** This is a very historical day. This is an opportunity for small business in Wyoming to talk to a number of agencies

and talk through the Small Business Administration, which is a way that we've set up for some special emphasis on the problems of small business, and a special way to cut some of the red tape of getting out to the other federal agencies.

There was actually a federal act that put Small Business in charge of collecting information about regulations and passing it on to other agencies, forming panels to make sure that they're getting small business input.

And I've got to say that I'm really pleased with the responsiveness that we've had from small business. Of course in Wyoming, small businesses are neighbors. Small businesses are all of our people.

The federal definition on small business is 500 employees or less. And I checked and we don't have a single business that's headquartered in Wyoming that has more than 500 employees.

But when we're having the Small Business meetings in Washington, I like to stop the process every once in a while and focus on that 500 employees a little bit because in my opinion that isn't small business.

I've always said that small business is where the person who owns the business sweeps the sidewalks, cleans the toilets, waits on the customers and balances the books and definitely not in that order.

And we've gotten that message across in Washington now that there are varying sizes of business and the importance of small business. We're having all these mega mergers around the country now. Huge businesses joining up with other huge businesses and then a month or two later, announcing the downsizing. They used to call it rightsizing, but what it means is a lot of people get laid off.

But those people are being absorbed into the economy by small business. Small business has always picked up the slack in this country when big business has bailed out. And small business is holding up the economy at the moment.

Diane and I came from small business. She and I had some shoe stores. And then after I was mayor, she didn't need me at the shoe store, she was handling those really well, so I went back to accounting. And when I was doing accounting I worked with small businesses, and I got to work with a lot of small businesses around the state and hear some of the problems and some of the horror stories that they had in dealing with federal agencies.

And now Diane and I come back to Wyoming almost every weekend. We travel a different part of the state and we talk to people. We go to all of the towns and you'd be surprised at how many if you look at the

Wyoming highway map, have no population. Usually really offends the two people that live there. (Laughter)

But we try to stop everywhere and talk to the people and the reason we do that is when we're back here in Wyoming, people share ideas with us and aren't bashful about it at all. But they're helpful ideas.

Now I've taken those ideas back to Washington and usually the first reaction that I get there is, too simple, never work, where did you get an idea like? And I explain to them that I got it from the person actually doing the work. You know, who everyday thinks about the problems that he has and comes up with these solutions and just needs a way to transmit those to people that can do something about it.

And you know, the trend in Washington right now with our hearings is to bring in the movie actor that played the part of the person who had the problem. And they do pretty well while they're on script but they're not like the small businessmen who know what the problem is and can answer the questions about it.

Now one of the things I'm always asked when we do a hearing like this, and it came at the very first small business hearing that I held in Casper, the first year I was in office. The press said, why aren't there more small businessmen here? Aren't they interested?

I pointed to them, my definition of small business and that with the small business, if they had a person they could free up for a whole day to come to a hearing, they'd fire that person because they obviously wouldn't need them.

And so I really appreciate those of you who have come to testify today. I've heard from you before and you've got messages that need to be delivered to the SBA so that they can get them disbursed through the agencies and bring some impact that way.

I really commend the Small Business Administration and their Ombudsman. I have trouble with that word too. Their liaison, the person who solves problems for the public and takes the public's viewpoint on it, for helping us to put this together.

I also want to particularly mention Steve Despain, who is our Wyoming person and that's really where I get my contact with the Small Business Administration. I prefer to go through him and get the Wyoming perspective on it and they've come to find that out in Washington too. He can tell you sometime about how we met and the first administrator that I got to talk to.

I also want to thank the representatives that are here today from the various other federal agencies. I appreciate your willingness to

come and hear first hand what's happening too.

And I want to assure those who are testifying that I've been told by all the federal agencies and it's federal law, that there's no retaliation for what you say. That doesn't happen. That's another protection that's built into the law through what's happening here.

And I've got to tell you that there has been a change in Washington in agencies and attitudes. Last year at this time I was working on ergonomics as part of the Labor Committee and we were trying to figure out ways that we could save people from getting repetitive motion injuries.

And a federal agency was supposed to be holding some hearings and taking testimony from all size businesses and coming up with a rule that would work.

And they didn't listen. In fact they hired some people to testify and brought them to Washington and practiced them, and then rewrote their testimony and then paid them to tear apart the testimony of other people who came to testify. That's not supposed to happen in America.

Well, I found the law that had been put on the books some time ago but had never been used. And at the beginning of this year, we used that Congressional Review Act and jerked OSHA back to reality.

We said, you didn't pay attention to the 78 feet of documents that came from people testifying about how this rule really wouldn't save any injuries. And so we want you to go back and think about it a little bit more.

And that was passed in a bipartisan way and the affect of it wasn't just to get OSHA to listen, but many of the federal agencies said, whoa, Congress has some power and they're supposed to be involved in the rules and regulations and evidently they're going to do that.

And I want to assure all agencies that we are going to do that. That's our job and our responsibility and we've been avoiding it a little bit. We assign these jobs to other people and then sometimes don't check to see how they're coming out.

But today is one of those times when we're making a extra special effort to make sure that viewpoints from Wyoming get to Washington and are heard by all of the agencies. And the agencies have made a tremendous effort. This really is an historic occasion to have the SBA setting up with as many agencies as we have who are here to listen.

So I commend the Small Business Administration and all of those agencies who have come. Small business is a bipartisan issue in the

United States and it's a current concern for all of us in Congress.

They're talking about a stimulation packages. I wouldn't be surprised if there isn't a stimulation package done, and the reason it won't be done is because they're forgetting to look at small business. Again they're trying to figure out how to bail out big business and little business is what pulls the economy along.

It's the people whose employees understand how tenuous their jobs are because they understand how tenuous any small business is and so they're willing to pitch in and help and pull the business through whatever difficulties come along with the direction of the people that are running the business.

So again, I think everybody who came today. I look forward to hearing your testimony and I thank everybody for being here. (Applause)

**MR. BARRERA:** Thank you, Senator. Just a couple more people and then we're going to get started because I know people here are busy as the Senator said. It does take a lot for people to come here.

I want to introduce one of our Regulatory Fairness Board Member's. The way the Ombudsman's office works is that there is a National Ombudsman. Then we have ten Regulatory Fairness Boards. And what that is, we have five independent business people per region, who help gather comments and help talk to small business and tell us what's happening out there.

And one of the best is located right here in Wyoming and that is Mary Thoman, actually Dr. Mary Thoman. I'll ask her to stand up and kind of tell us a little about herself.

**DR. THOMAN:** Well, thank you for being here today. And I think a lot of you who are brave enough to come and speak out today represent many who were afraid to come.

I'm a small businessperson trying to do 10,000 things at once and so it's been quite a ride trying to be on this Board and keep everyone aware of what's happening. And I think we've barely touched the iceberg so today is the beginning not an end.

This is a way for us to get the word out that there is a group who will take a report back to Congress when regulations are unfair.

But I also get to say today that we're going to have the privilege and the pleasure of recognizing some federal agencies who have done some outstanding customer service -- have made some outstanding customer service efforts with the people that they work with.

And so we're going to recognize some good agencies and hoping that others will want to be recognized and want to be one of the good agencies too.

So it's not meant to be a government bashing session today. It's meant to be good as well as to bring out things that we can work on and send the word back to Congress, and hopefully get the agencies to come around and to want to be more customer friendly as some of these agencies are today.

Spread the word, share with all of your friends and if any of you are in here today listening to testimony and feel like maybe you could have a comment or two that you could make, and maybe you originally didn't think you would want to comment, please talk to Mahlon in the back or any of the SBA people. Mahlon's waving his hand back there and he is customer friendly or else, right Mahlon? (Laughter)

**DR. THOMAN:** Or I will be willing to speak with you, or any of us up here. So (inaudible) up and visit with us. If you can think of other people who have issues who should be here, go home and tell them, please call -- they can call me as a small businessperson because I don't get a government salary, you know. I just listen and try to refer it to someone who can help with the issue. So any of the SBA people or myself, please spread the word.

That's the purpose of today, is to get the word out that we are trying to work for a better America. We are trying to get our agencies to serve America, even though they're forced to enforce regulations because we do have people in society who don't follow the rules, but that it should be customer friendly and that we are here to help people.

So thank you for coming and thank you for listening and spreading the word. That's really what we want you to do today. So thank you. (Applause)

**MR. BARRERA:** I'm going to have the federal agencies introduce themselves so you know what federal agencies are here. So we'll start down at the end over there.

**MR. COCHRAN:** I'm John Cochran, USDA Rural Development.

**MR. HUFF:** I'm Charlie Huff. I'm with USDA Rural Development and Rural Housing Service.

**MR. RYBERG:** I'm Steve Ryberg. I'm the local District Ranger on Wasash Cash National Forest.

**MR. RAWSON:** Jeff Rawson, and I am the Field Manager for the Bureau of Land Management in Kemmerer, Wyoming.



**MR. BARRERA:** Anyone else?

**MR. BURTON:** Ed Burton, State Conservationist for the National Resources Conservation Service here in Wyoming.

**MR. BARRERA:** Anyone that chose not to sit up there, you guys introduce yourselves anyway.

**MS. ZIEGLER:** I'm Linda Ziegler and I'm the new Rural Development Manager for the Southwest area, covering from Jackson down to Rock Springs.

**MR. BARRERA:** Anyone else?

**MR. KRISCHKE:** I'm Rod Krischke with USDA Wildlife Services.

**MR. BARRERA:** Why don't you two guys come up here so when they ask questions, you can direct -- you can sit back over here. Put you on the hot seat.

**SPEAKER:** I think we have two more people.

**MS. JOHNSON:** Karen Johnson, the Bureau of Reclamation out of Salt Lake City.

**MS. URE:** Peggy Ure and I'm the Business Utilization and Development Specialist for the Bureau of Reclamation in Salt Lake City.

**MR. BARRERA:** I want to say we do appreciate the ones that came out because we sent a lot of other requests for other agencies to show up that did not attend, so we do thank you for showing up here. And we should give them a big hand for showing up.

(Applause)

**MR. BARRERA:** Before going on, I kind of want to just give a brief breakdown of how this system works and how the Ombudsman's office works, and just kind of go over that with you. That way you'll kind of understand how we're going to work this.

Slide Presentation

**MR. BARRERA:** Okay, quick little -- first of all I want to introduce you to the Administrator, and that is Hector Barreto. He's a small businessman himself. That's Hector. He was approved by the full Senate back in July, unanimously.

Hector himself is a small businessman. He grew up with family restaurants. And he worked for Miller Brewing Company and he learned a lot just about how big organizations worked. That was a valuable

experience for him.

Then he opened a couple of insurance companies in Los Angeles and actually he was the Chairman of the Latin Business Association, the largest Hispanic Chamber of Commerce in the country.

And so he dealt with small business on a day-to day basis, so he knows about small businesses. He knows how important small businesses are to America.

And on a personal note, actually Hector and I grew up together in Kansas City. He always claims that his family had the best Mexican restaurant. I said, no, mine did.

(Laughter)

**MR. BARRERA:** So I grew up with a Mexican restaurant. My parents owned two. I owned two law firms and I was also the Chairman of the Hispanic Chamber in Kansas City, so we've had a lot of experience in small business in general. We talked about that guy already, we'll move on.

Ombudsman, I thought it would be interesting for people to know what the actual definition of an Ombudsman is and "one that investigates reported complaints, reports findings and helps to achieve equitable settlements". The SBA Ombudsman, we try to mediate and negotiate on behalf of small business concerns. I'm not going to read it all.

I'll just have you guys kind of look what our vision is, and mission, and our goals. And the goal part of it, what I want to focus on is that it's real important for us to get out in the field to hear what people are saying.

You know, we have our board members and we count on their getting out into the community but it's important for like the Senator and myself to get out and hear what's going on so we can take these stories back.

Jurisdiction, this is important. What the Ombudsman's office does is that we listen to complaints regarding federal agencies.

We do know there's a lot of state agencies and local agencies that deal with small businesses that you have concerns with, but our jurisdiction is limited to complaints with federal agencies and federal compliance enforcement activities.

In other words -- this is what is basically a decision tree and that basically describes what we do. And the important one is on the bottom, that we actually do a report card on federal agencies and how they treat small businesses.

And we do a report to Congress and we send a report every year and give specific examples how small businesses are being treated. So your stories are being heard. And we will incorporate the more egregious ones or just basically trends so the Congress can hear it. And Congress does react to these things and they do act upon them.

We have a decision tree. If you have a concern about a federal agency, here's what you need to consider. First of all, are you a small business? And as the Senator said, it's a business of 500 people or less but I know in Wyoming, we're talking about 20 people or less so it's important that you have a voice out there.

In fact an interesting quote, 90 percent of all businesses in the United States are 20 employees or less. Seventy-five percent of all new jobs are by small business so the small business community is very, very important. Fifty-one percent of all jobs are employed by small businesses so we do need to get out there and hear what your stories are.

We have a new web page. That's what our new web page is -- and this is real important. We're going to have a system of opening -- six months is that where -- right now if you want to file a complaint or a comment about a federal agency, and we want compliments also, is that you go to our website and you can download the form, and then you send it back to us and we send it on.

But we hope within six months we'll have an online system where you can actually file your comment online. It will be sent to us, we can send it immediately to the federal agency, and we'll have a tracking system so whoever sends it in can track where that complaint is or that comment is. That way you know it's getting some attention. So we hope to have that up in six months and we'll make an announcement when that comes out.

I'm going to leave this up unless it's blinding us, but this is how you can contact us. We have a 1-888-REG FAIR, fax number, there's our e-mail, and then the sba.gov and if you punch Ombudsman, you can find out more information about us, okay.

So without further ado, we're going to start hearing testimony. And the first one I'm going to call up is Mr. ... Mr. ... are you available?

**SPEAKER:** No, he left.

(Laughter)

**Testifier:** My name is... and I'm from over in a little town of ..., Wyoming. I run a small dairy farm. I have four high school graduated children. Four in college right now, and one at home to do all the farm work.

As a little pre-courser here, I've been involved with Lower Valley Energy for 13 years. I've had several opportunities Senator, to come back and talk with you about our problems with the energy industry. This next year I'll be President of ..., which is an organization, which takes in part of Montana, Wyoming, Idaho, and Utah.

I've had a silver beaver for 25 years of service with the Boy Scouts of America. I'm Chairman right now of our little committee in our community for ...

And the only reason I'm going through this thing is because when I get through telling you my story, you're going to think I'm a gook and you're going to run me out of here if I don't somehow create some kind of credibility here.

Because my story is that I'm going to be run out of business and I feel that I have done things properly as far as the IRS is concerned and that the IRS should be a service organization and not somebody that will retaliate because you were not satisfied with their opinion, and have gone then to your Senator for some help and perhaps other people.

In 1993, ... and I received a packet from the IRS that said that we were going to be audited. And of course you all come unglued when you're going to be audited and I told her that there was absolutely no problem here. We had an accountant and our books were in order, we were okay.

My accountant took our books, went over to Jackson Hole, Wyoming and there they spent most of the day going through our stuff and getting it prepared so that -- typed in to the IRS. This is a Ms. Robinson that she wanted to be called. At that particular point we came home.

A week later she had contacted my accountant. She said, well, we've lost all your information, would you please come over and do it again. My accountant went over, took care of the problem, and gave her the information again.

The third time that the information was requested because they had lost it, the accountant called me and asked me if we wanted to submit the information again and I said let me take care of it.

If I had anything in my life to do over again -- that was the worst mistake that I ever made because I had read a little brochure that said if you're not happy with your auditor that you could get their supervisor and then you could tell the supervisor the problems that you had.

I contacted the supervisor and told her the problems. That we had submitted the information twice, that we didn't want to do it a third time because of the cost involved, the travel of my accountant, the problems it was creating us.

And I said, by the way -- I said, if I were to run my dairy farm the same way as you run your IRS office -- Now tell me if that isn't asinine, to say something like that to somebody in the IRS?

(Laughter)

**TESTIFIER:** -- I would be out of business. Well at this point in my life I'm just about out of business. They came back and gave me a bill for \$49,000 for that year of 1993. I hired an attorney out of Montana.

We went through all the processes. My accountant told me we really didn't owe anything. All the stuff that they had thrown in was stuff that shouldn't have been thrown in. As an example, I had six batteries I bought for the farm. They only allowed me one. I mean, the list went on and on.

When they got through I paid them just under \$10,000 and the reason that we paid them -- I said, I'm a man of principle, I'm not going to pay them because it's not right. And my attorney from Montana suggested -- he said, if you want to take this to the next appeals level, it will cost you more than \$10,000. Do you want to make a business decision or a decision from principle? And at that particular point I said, well, we'd better settle.

The lady suggested that my audit -- because I -- and this is conjecture. I got Craig Thomas involved in writing letters and she told me that she would be back when the three years -- she said, well, we will be back.

And I thought that was somewhat blatant that she would have the audacity to tell me face to face that they would be back. Three years later they were back. They audited me then for '96, '97, and '98.

In the meantime I went into a trust organization that I thought was viable to try to protect my assets, because at this particular point I understood how vulnerable I really was and our family was.

I asked my Senator again, Craig Thomas, if he would write a letter to the IRS and get a determination to make sure that the trust was something that would be acceptable by the IRS. The letter was sent and there was no response. I received several months later, one little brochure, but no personal response, no response whether the trust was good, bad, or indifferent

And specifically as the Senator sent the letter in, I requested that it was very specific of what the trust was, the name of the trust, where it came from, which was done.

Then three years later after the first year -- after the three years audit, and the next year was being audited, that's 1996, the trust was disallowed and so they came back on all the taxes on the disallowable.

And so at this particular juncture I owe \$34,000 because of the three years. My accountant however cut a deal with Laurie Ott, who is in Rock Springs, that there would be no interest and penalties if I could get my two trustees to agree not to have the trust and to basically disregard the trust. The deal was cut.

The accountant that made the deal was an attorney and so we thought we would just take the next three years, collapse them and not pay the tax on it and everything would be fine.

Well in '96 -- I'm still under audit today. We had a call the other day -- I'm getting too specific here. I don't want to waste your time but the idea here is that it's been so unfair and the retaliation has been so unfair. And they have not kept their word.

And the bottom line is, there is no answerability to those folks who work with the IRS. They tell you one thing, then they do a different thing.

So we've gone through the whole charade here. We've gone to the Consumers Advocacy. And the three things that we'd like to see happen here is that the retaliation would not happen.

Number two, is that when you ask the IRS a question and especially if you go through a Senatorial process, that they would show you the common decency at least to respond to your letter and your request.

And the third thing, you folks, whether it be the Congress or the Senate who set up the Consumers Advocacy Group, you need to ask yourself, who are the people that are working in this? They're x-IRS agents and who pays them? The same people that pay your IRS and then -- it's like me putting the fox in front of the hen house and saying, well, protect my hens for me will you please?

And so the short and the long of it is, we need somebody to make these folks answerable. And two years ago when you went to all the hearings, it just didn't cut it because the organization that you set up didn't do the job. Thank you.

**MR. BARRERA:** Mr. ... before you go. You mentioned a couple of things and I think that it's important for people to hear that you said you had a friend try to help you out. What happened to that person?

**TESTIFIER:** Well, one of the big problems with our set of -- with the IRS is that we paid our kids for working on the farm. And the IRS

lady, Ms. Robinson, suggested that we couldn't do \$3,000 worth of work per kid on the dairy farm. And she said, I was on a farm or ranch once in Wyoming and she said, I know that you can't accomplish that much work.

We went -- and our neighbor who is next door, who sees us out there at 5:00 o'clock in the morning -- all my kids did chores before school, after school and worked completely during the summer. He wrote a letter on our behalf. Six months later, he was audited.

I also had a problem with -- anyway, with my utility experience and getting to know Mr. ..., he had a young lady by the name of Georgia, who worked with the IRS in Idaho Falls.

I suggested to her that there was some retaliation going on here. She said, but don't tell me about it. She said, as soon as I got off of my committee, I was working for the Senator with the IRS -- she said, I was audited several years right after I was released from that committee.

**MR. BARRERA:** Mr. ..., we appreciate it.

**TESTIFIER:** One request. I should have worn my yellow shirt because when you say that you were going to post this on the Internet -- I'm chicken, I don't want my name there because I understand how the system really works.

**MR. BARRERA:** Okay. We'll respect that. We won't do that.

Can we go and hear from Jim Magagna? And it's important just for a couple of housekeeping things. When you're speaking, be sure to introduce yourselves. And we're trying to keep it to five minutes so we can get a lot of people on. That way we'll have the agencies to answer some questions here later. Jim.

**MR. MAGAGNA:** Thank you. And Senator, we appreciate your being here and you as well Mr. Barrera. I'm Jim Magagna. I'm the Executive Vice President of the Wyoming Stockgrowers Association, and also a rancher myself. We represent about 1,200 members in the state, all of who clearly meet even Senator's Enzi's definition of being small business people.

And since we work most closely with federal resource agencies, that's where most of our concerns arise. I'm going to first address two specific concerns with Bureau of Land Management but I want to preface that by saying that generally I believe our members have a good, positive working relationship with the BLM in the state of Wyoming.

The problems that tend to arise and the ones that I will address tend to be more process related not substantive. We may disagree at times on resource management things but we tend to be able to resolve

those. It's when process gets in the way that we have problems.

The first one and it happens to be one that I'm also personally involved in, involves the Jack Morrow Hills Coordinated Resource Plan in the Rock Springs BLM district.

To give you just the basic background, in 1996 the BLM completed a Resource Management Plan for the Green River Resource area, which includes the Jack Morrow Hills. That plan basically provided the framework for management decisions for the next 10 to 15 years with one exception in that the plan delineated that in an area of about 200,000 acres defined as Jack Morrow Hills, that the agency would do further analysis before developing the perimeters to guide oil and gas development.

They then proceeded to do that with the Jack Morrow Hills Coordinated Activity Plan. But they and we believe arbitrarily, decided to review grazing management again as a part of that activity, even though the Resource Management Plan purportedly provided the guidance for grazing management into the future.

The result of that has been through a series of events of doing a Jack Morrow Plan, then having former Secretary Babbitt come to Wyoming and basically throw that plan back to the agency and tell them to redo it according to his guidelines. And now fortunately with the help of Senator Enzi and the rest of our congressional delegation, having it been thrown back again to the agency with new direction from Secretary Norton.

Certainly a more positive direction, but nevertheless the impact of that is that there's already been a period of five years, anticipated to be perhaps at least seven and perhaps more if there are appeals, without a plan for that area.

The result is that through the initial arbitrary action of the Bureau and including grazing, grazing decisions have been put on hold.

To give you a very clear example, at the earlier time of that period I completed a transfer of some AUMs to a neighbor in order to make a more useable grazing situation, and that neighbor wanted those to be converted from sheep use to cattle use.

We had done the major portion of the transfer two years prior to this. The conversion took place with no problems whatsoever. Because of the Jack Morrow Hills Plan, the conversion of the remaining animal units has been put on hold for four years now and will be on hold into the foreseeable future.

We have asked the agency on several times to issue a decision based on the existing Green River Resource Management Plan, with the clear



understanding that when the Jack Morrow Hills Plan is completed, that decision could be subject to revision.

They refused to issue any decision and we're left in the position as are several other users in the area that we don't have an appealable decision, we simply have a hold put on any decisions and we can't move forward and we're all suffering economic impacts as a result of this.

So our request is that they would issue a decision based on the current management guidelines, and we all recognize that could be subject future change.

Moving quickly to the other area with BLM, this primarily to date has involved the Werlin BLM area where over the years numerous improvements have been made, reservoirs and other improvements on BLM lands by grazing permittees, under either what is called a Section Four permit, where the permittee owns the improvement or a cooperative agreement where the Bureau owns the improvement even if it was built fully or partially with permittee monies.

They've had real problems in that area and some in other areas of the state. Those agreements specifically provide that without further BLM authorization, the permittees are to maintain those improvements.

Yet when permittees have gone in and attempted to do this maintenance, they have been stopped in numerous cases and have been accused of violating BLM regulations by going out and maintaining these improvements.

It's a mixed signal to permittees where they have written directions in their agreements that say one thing, they're being told something else and we'd like to see that clarified.

Finally just really quickly to refer to another agency, the U.S. Fish and Wildlife Service who are involved in developing recovery plans for a number of listed threatened or endangered species across the West, including several in Wyoming. And I'll just use the example of the most recent one I've been involved in just last Saturday in a meeting in Wheatlin concerning the Prebles Meadow Jumping Mouse.

The plans that the agency developed are heavily based on land owner incentives. They're getting landowners to buy into these plans and agree to do certain things on the premise that we will provide financial incentives to you to make this worth your while.

We view this as false advertising because the agency has no dedicated resources, they have no congressionally authorized or appropriated funding sources over a period of time in order to provided these incentives that they are using as a carrot in order to get private

land owner buy in to these various recovery plans.

We believe that pending some congressional action that would provide a reliable and permanent source of funding for such types of incentives, that it's inappropriate and improper and beyond the authority of the agencies to hold these out as a carrot to private landowners.

With that I'd like to thank you again for your time and I'd be happy to answer any questions that you may have.

**MR. BARRERA:** Thank you, Jim. We also have Randy Shipman.

**MR. SHIPMAN:** Good morning. My name's Randy Shipman, the Rocky Mountain Mill Director for Frontiers of Freedom, People for the USA. I'm representing an organization on behalf of people that were afraid to come here. And I'll just read from a prepared document so that I don't run off on a tangent.

Thank you Senator Enzi, Mary Thoman, and the panel of the SBA that's here, for holding these meetings. We know the diligence that was necessary to have this session occur in the Rocky Mountain Region.

After working with Ms. Thoman over the last year on many different issues, I am dismayed that many people who should be here today are not. I understand why. I should be standing before you as a small businessman of 21 years myself. Nevertheless let me explain.

Many months past I met with Mary before she left for a National SBA meeting in the eastern part of the United States. She had just a couple of issues of the business in her area of operations we're willing to share with the Board.

It was dismal at best, both of us having first hand knowledge of how various federal regulations can help, hinder, or in a certain instance, destroy American small business interests.

Even in light of what U.S. Supreme Court Justice, Clarence Thomas elaborated on during a speech he gave February 13, 2001, before the American Enterprise Institute, fear is the crux of why so many western small businesses choose not to participate at hearings such as this one today. Although Justice Thomas was speaking of civility, he based his text on three words, "be not afraid".

I can assure you that most of the people I meet are afraid of not only you but also many other employees working in their capacities, for federal agencies having the authority to make or break their business.

I fear you as a small businessman but not in the duty of bringing you this message today. Fear is one reason why Senator Enzi and other of

our country's congressional delegations must act as buffers. Imagine people sitting in this room and those that did not come. There is one person sitting in this room that needs to testify but can't and won't allow me to testify for her.

They're afraid to file the SBA form that you need for your records or future actions. They fear retaliation by those in federal positions that they must work with to sustain their own livelihood. The Regulatory Fairness Board is perceived to offer no concrete protections from retaliation for filing with SBA a document that might be less than glowing towards another federal agency.

The reason that Mary Thoman had one particular issue to bring to the national meeting mentioned before hinged on the fact that that person was literally pushed to the wall. He had nothing at all to lose at that point and everything to gain.

The purposed, and I say purposed regulations this individual had to deal with were numerous, but were not yet rules and already it looked like he was out of the (inaudible) business. Those rules dealt with the United States Forest Service's roadless (inaudible) of rules, that Title 36 Code of Federal Regulations, 294.

There is more. The National Forest System Road Management Transportation System, that Title 36 CFR 212, 261, and 295 were by the way the U.S. Department of Agriculture. The United States Forest Service didn't bother to tell the American public that the word access was to be removed in the (inaudible) of rules right along side the word development.

And the National Forest System Land Resource -- one other thing under Rule 261, synonymously, that particular area is the regulatory authority, the enforcement of that particular title. Now they had to change one word in the United States Code to make it consistent with parts 212 and 295. And the word they used was synonymous. I want to elaborate further on that but I can at a later time.

Also the National Forest System Land Resource Management Planning Rule 36 CFR, parts 217 and 219. I believe the only reason that this family came forward was that they were potentially about to be prescribed and I mean federally zoned out of business in our Region Four Forest.

The Wasash Cash National Forest Revision Plan was at that time utilizing rules in anticipation of their being (inaudible). This is still currently the status of this particular forest region but is by no means the exception, two hundred and fifty miles east and southeast of Evanston, Wyoming where we're at today, which was located in Lofett County, Colorado.

I know I'm getting outside the state of Wyoming but this is the region that I happened to work in. Rules, regulations, and a proposed act of Congress from 1999, which was never acted upon, was cause for a business to lose interest in developing a energy resource.

And I might add that that business is not a small business. That business is an international corporation but it had an affect on small businesses like others and mine. The rules and regulations in place under this circumstance would have been fair had they been followed.

You had a gentleman up here speaking about Resource Management Plans that's not being followed in the Jack Morrow Hills area. The same thing in this area. Unlike like the agriculture family business previously mentioned that could not just pick up and move, a large international business can work almost anywhere in the world and with result, attitudes of losing interest in Lofitt County.

If you would care to review the issue, the documents are available showing the non-interest of the federal agency, unwilling to answer specific questions to clarify their actions in a National Environmental Policy Act procedure. SBA might want to make note of this section. If time allows, I would like to come back to this part of my statement later in the day.

Presently natural resource industries operating in Lofitt County, Colorado contribute over 17 million dollars to Rock Springs, Wyoming. (Inaudible) business and economy, that's where it goes to and you're going to have to take my word for it though. Please don't ask me for their records. If they were not afraid to speak or if they did not have gag orders, I'm sure they would be here for themselves.

In my travels from Washington down to Arizona, what does one tell a farmer when a rule or regulation that is spawned from law makes a liar out of President Franklin Roosevelt as is the case with land patents in the (inaudible) in Southern Oregon and Northeast California. These folks can prove financial loss. This land patent was signed before World War II. It's a high authority, the land patent but it's no good because of the Endangered Species Act.

How about a steel business in Arizona attempting to meet Clean Air Act requirements in good faith that are being fined out of existence and they're afraid to come up here. What can SBA do for (inaudible) who have lost access to our National Forest by over exuberant federal personnel, just doing my job. These people are dying a slow economic death. Can they prove financial injury in a cumulative way?

Thank you for you time today. I could have gone much more heavily in depth later on as -- I will say though that there is one thing that is happening that is good.

The Department of Defense, the Department of the Army Corps of Engineers has a proposal August 9th to reissue a modified nationwide permit to give us an opportunity to comment again and that -- part of that was brought about probably by a lawsuit. Had they done the job right in the first place, it wouldn't have cost too many people and many of the businesses their livelihood. Thank you.

**MR. BARRERA:** Randy, would you be willing to at least be a liaison between the people who don't want to testify because I think there are stories that we need to hear?

**MR. SHIPMAN:** I left my telephone on today and I know it's not protocol to do so in a meeting like this but I was hoping that -- I gave information to my answering service that the only calls I would accept were from businessmen that would allow me to relate you the stories I know. And I have until noon to be here. I have another meeting to make in Rock Springs.

But just so that you don't get the wrong impression, Senator Enzi made a mention about small businesses (inaudible). I'm dressed in a suit today. I wore this yesterday so that I could get a job done, so that I could come here today because I don't get paid today. And thank you Senator Enzi for bringing that up for a small business.

**MR. BARRERA:** All right. Would you allow us to get your telephone number so that we can at least contact you later and maybe get some more information about these folks? I mean we can't help them if we don't -

**MR. SHIPMAN:** Yes, sir. I understand.

**MR. BARRERA:** If you can get it to Al then we'll follow-up with you. Thank you, Randy.

**MR. SHIPMAN:** Thank you.

**SENATOR ENZI:** Thanks for sharing the shirt off your back too.

(Laughter)

**SENATOR ENZI:** And for all that are testifying, the folks here may have some additional questions or things that they want to do, but we want to get the testimony first and then go back and review the things. Sometimes that places a little less of an edge on it and gets more answers. It also gets more information for me.

**MR. BARRERA:** Okay. We have Randy Horuchi.

**MR. HORUCHI:** Senator, my name's Randy Horuchi. I'm Vice President of Business Development. It's a Certified Development Company in Salt

Lake City, Utah.

As an aside, I served eight years as a Salt Lake County Commissioner and presently serve as a part time County Councilman in the (inaudible) government we have there. And let me just say, anybody who's mad at federal agencies needs to come down to Salt Lake County and see our bureaucracy in action so you don't necessarily need to be that depressed.

I bring greetings from our CEO, Scott Davis, the pioneer in SBA (inaudible) since the inception of Desert Certified Development Company in 1979. His leadership in the National Association of Development Company, as one of its first presidents helped further both regulatory fairness and regulatory changes that have made the SBA 502 and later SBA 504 Programs the empirical success they are today.

Now Bill Frisby, our Senior Loan Officer and Vice President is also one of the pioneers of the 504 Program and has been responsible for doing some of the first SBA 504 loans in the country, done right here in Southwestern Wyoming.

And let me first thank you Senator Enzi and the SBA for letting us have the opportunity of speaking here at this field hearing. I will definitely raze Senator Bennett for not providing the same opportunity in Salt Lake. I'm certain he will.

(Laughter)

**MR. HORUCHI:** Let me further thank all of you in Washington for the significant changes made in the last session of Congress, making the first significant enhancements of the SBA 504 Program in several decades. These changes make this desirable and outstanding program even more desirable for small businesses that seek to expand and create new opportunities.

The name of the game in 504 is creating jobs and the changes you make in the legislation make it an even more indispensable vehicle for doing just that. And I would like to pay to tribute to our U.S. Senator Bennett, who serves on that Committee and worked hard to help those changes.

And my very short remarks do not specifically address specific line items or technical changes regarding regulatory enforcement. I will leave that with clearly more intense individuals.

I would like however to emphasize some important common sense points about what we do. Desert Certified Development Company has existed since 1979. We serve the state of Utah and have concurrent jurisdiction in parts of Southwestern Wyoming. We've done several dozen deals in Wyoming cities like Afton, Ballard, Evanston, Jackson, Rock Springs, Alpine, and

now today I found Hoback Junction.

Presently and in the past, former Evanston Mayor, Dennis Soltley, who sits on our Board presently and has in the past, as well as Janice Bodine, another Evanston office holder and businesswoman have served with great distinction on our Board.

What is remarkable is that since 1979, Desert has done some 2,000 loans, provided almost 400 million in small business capital, and created or retained some 50,000 small business jobs in Salt Lake, and in Southwestern Wyoming, and the rest of Utah.

Deseret has been in the past, the leading volume Certified Development Company in the country, only recently to be overtaken by several gargantuan certified development companies in California. We've remained the leading SBA 504 Company for capital lenders in the country and we are proud of it.

The University of Utah Bureau of Economic Development and Business Research completed a study, which included -- it's included in my written submittal, calling Deseret's economic impact substantial to Utah's economy.

Now why have we been successful? One of the reasons is we work with an excellent SBA District Offices. Salt Lake's, under the direction of Stan O'Connell was selected as the outstanding District Office in the country. They have a commitment of wanting the SBA 504 Program to succeed. And so does Casper, Wyoming. Our affiliation with them has been successful as well.

Our success is dependent on the Congress and SBA Washington to develop clear regulations and standard operating procedures, SOPs, that are based in common sense and communication. For example, recently the SBA has begun to require Certified Development Companies to verify the immigration status of borrowers with a local immigration office.

The shift in responsibility from the SBA to the CDC was not earth shattering but it did take four or five substantial meetings with our local office to be able to handle this. And because of an extraordinary relationship that was really unrelated to service here, unrelated circumstances, we were able to iron out that problem, a very difficult thing.

In fact the second level up from -- this is not the fault of our SBA office but the second level of the immigration office, they did not even know at that point -- they're so focused on chasing bad guys and the rest and enforcement, they didn't even know what the SBA was. And so that communication is the problem.

Now why the problem? None of the local immigration offices had ever been contacted by anyone about this new requirement. He had to go up several levels of the chain of command before he was able to get conversant. We had to build an entire knowledge base with our local immigration office and we were lucky to have that -- really a relationship.

Now one of the best ways to continue the success of what we do is to continue to divest some of the administrative and enforcement duties to Certified Development Companies. The establishment of the Preferred Lender Program and allowing Certified Development Companies to handle some of those liquidations is a home run for the SBA.

It makes sense because it relieves some of the burden of a continuing slimmer SBA due to budget cuts. It makes sense because borrowers sometimes feel more comfortable dealing with a Certified Development Company just because they are not government. We welcome that responsibility and we think we can handle it.

Now in summary, let me again thank you for the opportunity. Some 20 years ago when I helped start Deserit Certified Development Company, I never did dream of the impact we would have on the local economy. It has happened though because of the hard work and patience of the local SBA offices and in large part to the vision of elected officials like you Senator, who have an intense interest at seeing small business succeed in America. Thank you very much.

**MR. BARRERA:** Okay. We have Dennis Hunzeker.

**SPEAKER:** I don't believe Dennis is here.

**MR. BARRERA:** Okay. How about Pete Airabel? Okay. John, I can't even begin to say his last name.

**SPEAKER:** Erramouspe.

**MR. BARRERA:** Okay, not here?

**SPEAKER:** Yes.

**MR. BARRERA:** Oh, he is here. Okay, John. And John, please say your name for us again so we get the record on that.

**MR. ERRAMOUSPE:** Okay, my name is John Erramouspe. Thank you. (Tape interrupted)-- I believe the summer of 1996, it's concerning an access road into our ranch and it's a five mile road that goes over BLM land.

We had some parts of our road wash out through the spring run off



and we were in the process of repairing the road when the BLM came to us and told us that we did not have a right to do any maintenance on that road because we didn't have a right-a-way.

The road has been in existence for over 70 years. We had always maintained the road. At one time the county did put county road signs on the road but they took them off and when we got this notice from the Bureau of Land Management not to maintain the road anymore unless we had a right-a-way, we just kind of started looking into the -- what our rights were on the road.

And we have been in this fight since 1996 and it still is not resolved. We've gone to the county, the Sublette County, asked them for their help to make the road a county road under the RS-2477 Act and the Bureau of Land recommendation -- or the Bureau of Land Management refuses to recognize RS-2477 roads.

In that same thing we have probably in 1998, there's been a problem on some acreage where our land sits that there is some buildings and some grainerys on that, that is on BLM land.

We have been trying to get it straightened out for over 30 years and we had the archeology study done, we had the appraisal done, we had all this done, ready to purchase the land that the buildings were sitting on and the BLM came to us and told us that they refuse to do anything on this land until we get the road issue resolved.

So in essence they are holding this acreage hostage, they're forcing us to make payments on this acreage that the buildings sit on and we feel it's not our fault, that this acreage is being held hostage because the road issue -- they're two separate things and that's where our problem is and we just hope to get some help from the SBA and Senator Enzi's office to see if we can resolve this problem. Thank you very much.

**MR. BARRERA:** Thank you.

**SENATOR ENZI:** Thank you.

**MR. BARRERA:** How about John (Inaudible)?

**SPEAKER:** I have written testimony. Do you want to hold it until the end?

**MR. BARRERA:** We can hold that until the end.

**SPEAKER:** I don't think John -- is John here? I have written -

**MR. BARRERA:** Brent Bluemel?

**SPEAKER:** Bluemel.

**MR. BARRERA:** Bluemel, sorry.

**MR. BLUEMEL:** I'm Brent Ivan Bluemel from Lyman, Wyoming and I'd like to thank you all for coming. I'm speaking on behalf of Bluemel land, that we have an access problem also -- been held.

I'd like to read a little history. I'm the son of Randall Bluemel, grandson of Leland Bluemel, original owner of this land. This is between other family's land. This was never a problem until the death of my grandfather. Then his sister-in-law and her husband started with the BLM, telling them they owned the land knowing that dad and grandma would not catch on to what happened until it was too late.

A short time later in the late '80s, 1988 to be exact, casual conversation between sisters about the property being fenced -- Dora Bluemel, my grandmother, phoned the BLM and told them specifically to fence the property out of this fence allotment. Nothing happened.

Dora and her son Randall visited the office personally giving an allotment plan to BLM and they were not willing to discuss it. This is the allotment plan, a copy of it (inaudible). Several months of corresponding between Senators, BLM, my father, and my grandmother -- there was many letters sent, nothing happened with it.

Basically the law was explained that if you don't like it, you can fence it out. Upon visiting the property there was no -- the fencing was done and upon visiting the property there was no gates, no access to this property without trespassing over to the other family's property.

There was -- irrigation canal has been improved or upgraded. There is no way to cross this canal. I have pictures. The fencing allotment was not fenced within the allotment plan that is given on this paper. The fence is approximately a quarter of a mile away from the outside boundary of the property.

After more corresponding my father and grandmother requested land exchange. Nothing happened. It sat for years. We haven't touched this property.

My brother and I went to the BLM office, talked to them about the land exchange, got a little bit of information. In April of this year we sent a letter and we haven't received a reply yet.

This land's been -- there's been many, many letters back and forth, sent to one another from different agencies to everything -- they're telling us that the access -- we need to improve this access.

There are three different accesses into this property. There's only one that crosses BLM itself. The landowner was told to put in a gate so we could make our access into that. That's never happened.

We've been trying to do things. We've been told that we haven't done any improvements on it so we can't use this land. We don't know which road to improve. We don't know which road to go with. We don't know how to get across this irrigation canal that belongs to the other landowner.

In short, we'd like to start using this land because today we have to use all the land we can to our best ability. So we would like to just solve this matter. We've been cut off from this land since 1988 and we want to start using it again without any conflicts or problems. That's about it.

**MR. BARRERA:** Brent, thank you. Leron Allred.

**MR. ALLRED:** Thank you. My name is Leron Allred. I'm representing the Wyoming Association of Conservation Districts as a State Board of Directors member.

I appreciate very much this opportunity to share some of our views and suggestions on federal regulatory processes and actions. My comments will primarily be specific to natural resource related issues.

Conservation districts are local governments that provide assistance and representation of local people on natural resource management issues. One of our primary responsibilities pursuant to state statutes is to agricultural businesses, small businesses. Our Association would like to offer the following comments, concerns, and suggestions.

First, I'd like to talk about a regulatory simplification. In the invite letter sent to us and received to this hearing, it was noted that there are over 5,000 new federal regulations in the pipeline. Over 3,000 of these will impact small businesses.

With this in mind, our Association would like to suggest to this body that for those small businesses and organizations representing them, more should be done to make the federal process pomegating regulations simplified.

A simple request and modification related to existing regulations proposed for modification is to require the agency to publish proposed regulations in a format that depicts the current language of the regulation and the proposed modification, using the format of strike through and underlining.

Our Association has commented on numerous proposed federal

regulations over the past several years. The public input process becomes daunting and extraordinarily time consuming when two separate sets of regulations must be reviewed concurrently to determine what the heck are they talking about.

Secondly I'd like to talk about a small business notification of newly codified regulations. It has been our experience, especially related to the Environmental Protection Agency that regulations -- that agencies adopt one new set after another of federal regulations. Upon adoption little to no further outreach is conducted to insure that the affected or regulated entities are notified.

Agencies should be required to have a period of time built into the regulations that require outreach and notification prior to any implementation or enforcement action being taken.

I'd like to speak on enforcement tactics now. I would like to bring one issue of great concern shared by our local conservation districts and the agricultural producers they assist. This issue is specific to the EPA concentrated animal feeding operations -- regulations and subsequent compliance.

Our state association and local districts in partnership with the agriculture industry, state agencies, and the USDA Natural Resource Conservation Service, are working diligently to help insure that livestock producers are in compliance with the above mentioned regulations. We recognize that these regulations have been in place for a good number of years.

However it is obvious to us that the outreach suggestion previously was not conducted with small family agricultural operations. Subsequently, a lot of education has gone -- has occurred in this state to help insure that these producers understand the regulations and to help assist these producers to become compliant.

However, we are becoming increasingly concerned with the pressure being applied by EPA on our state agency, that's the DEQ, to conduct on-site specific inventories of these family owned producers. This pressure is being applied in the name of accountability.

We recognize the ability of the requirement to be Accountable, so over 30 workshops explaining the existing regulations were conducted during the past year throughout Wyoming. Forty-five projects are now being implemented. However, 200 producers have requested assistance but because of current dollar resources, it will be sometime before they can be helped. This is accountability.

Now flyovers, drive by inventories, investigations, and the outright purchasing of specific information by the EPA from financial rating

institutions such as Dun and Bradstreet on family agricultural producers are just a few examples of a federal regulatory agency tactics that result in fear and distrust.

The Association would like to suggest that any efforts this body, Congress, and the agencies can make to invest in locally driven, voluntary incentive based approaches to achieve the same outcome would be much more cost effective and business friendly.

The Natural Resource Conservation Service, an agency of our federal government that works cooperatively and voluntarily with Wyoming agricultural producers is one example. If the federal resources that are being used by the EPA for the covert operations mentioned above were instead invested in Natural Resource Conservation Service technical assistance to serve those 200 producers that they're not financially able to do the work in Wyoming, the same goal could be met with much less animosity being created.

Thank you this opportunity and thank you for your effort to assist small businesses in dealing with these complicated federal regulatory issues.

**MR. BARRERA:** Thank you, Mr. Allred. Peggy Ure.

**MS. ROUNDS:** Good morning, Senator Enzi and members of the Small Business Administration and the National Ombudsman's Office. I'm delighted to be here today and to allow me the opportunity to give you some insightful information on the current status of the travel agency business.

My name is Peggy Rounds and I'm the owner of Wild West Travel here in Evanston. I've owned Wild West Travel for about eight years and I currently employ four employees. Wild West Travel is a member of the American Society of Travel Agents, which represents travel agent interest in D.C. and before state legislatures.

On behalf of all ASTA travel agencies I wish to personally recognize and thank the U.S. Small Business Administration for opening nationwide, the Economic Injury Disaster Loan Program. This program will assist many small businesses including travel agents, with working capital that they need to get back on their feet after experiencing the financial interruptions due to the events of September 11th.

During the terrible days after the September 11<sup>th</sup> attacks, American travel agencies were there for their clients. And they weren't just there for their clients, they were there for anyone who booked a ticket on the Internet or anyone who called the airlines directly. We were there and we were accessible.

Many of us, and it wasn't just me, we all provided that free assistance to people across the nation. Travel agencies performed these services because we were the only people who could do that.

Travel agencies typically do not have meaningful cash reserves, nor do they have their own assets that could be made available as collateral for regular bank loans. Prior to the SBA's nationwide declaration of opening the Economic Injury Disaster Loan Program, travel agencies needed immediate cash infusions and supported and continue to support HR-3011, the Small Business Emergency Relief Act of 2001.

This bill includes the following essential elements. Immediate cash to stabilize businesses, which may not be there by the time a more elaborate stimulus is debated. Economic Disaster Loans that are industry based, not regional or sized based. No interest or low interest loans below the current disaster loan level of four percent for SBA qualifying businesses. Loans should be based on the ability to repay not collateral. Loan forgiveness for agencies on the verge of bankruptcy, loan abatement on both interest and principle to help travel agencies get back on their feet for SBA qualifying businesses.

In addition to the opening of the SBA Disaster Loan Program and passage of HR-3011, these actions will help us get back on our feet and agents will help get America moving again.

Today I brought with me ASTA's testimony, which was presented before the House Small Business Sub-Committee on Regulatory Reform and Oversight on October 11th of this year. I would like to have this testimony made part of today's hearing record as it outlines in detail the current status of the travel agency industry.

While there are some large firms in the travel agency business, most are very small with an average of just six employees. Eighty-two percent of travel agency employees are women. Among our ASTA members, less than 55 percent have annual gross sales of as much as two million dollars. Travel agencies account for about 75 percent of the air travel sold in the U.S.

With respect to today's hearing on regulatory reform issues, many years ago ASTA worked with the General Services Administration in opening up the travel procurement process so that travel agents could bid on government travel. Over the years the program has proven to be very successful, especially for the mega agencies.

One aspect of the program that eliminates small agencies from getting a piece of the government travel program is the bungling of the travel management contracts. And I did bring an example of that as far as one of the bids that I have received, and it had to do with seven locations located in Arizona and New Mexico but they only wanted to

disburse that to one agency and as I have stated, the majority of us are very small agencies. We don't have the resources to do that kind of research and unless we want to join a franchise, we're left out of the loop.

My view is that the federal government should revisit the GSA's Travel Management Program and evaluate what share of the set asides are going to small business travel agencies like mine.

This concludes my remarks. I would be delighted to answer any questions you may have. Thank you very much.

**MR. BARRERA:** Thank you. We have two more testimonies and then we're going to take a quick break and let the federal agencies come back and respond. We have Mike Simms. Okay, Owen Peterson. Okay, is there anyone else?

**SPEAKER:** We have Sam Weston. Mr. Weston is here.

**MR. BARRERA:** Okay.

**MR. WESTON:** I'm Sam Weston from Randolph, Utah, and I'm a cattle rancher, and have been a businessman in Wyoming up here, and I have run sheep, so I've tried a little bit of everything and I haven't been very successful at anything.

(Laughter)

**MR. WESTON:** But she wanted me to tell you some of the good things about the BLM and some of the bad things too so.

We have this Cumberland Allotment out here. I don't know whether any of you have heard of it or not but they call it the Huge Cumberland Allotment. A few of the cattlemen from down in Rich County, Utah and some of Wyoming own the (inaudible), and we own approximately 100,000 deeded acres out there too so we're in the cattle business and it's been a real good experience for us.

At the present time, we've finally come into a -- we had to change our operation to make it work with the government regulations or else they was going to run us off the range. So we've come up with a management plan in cooperation with the BLM from the (inaudible) office.

We put in a four pasture system out there and we had to build about 200 miles of fence to make the four pastures. We call it a rest rotation system. We put them in one pasture for about six weeks and then move them to the next pasture, and then on around. And then after a couple of years we changed it and drove the other way around.

It's a lot of work and it may be hard because we have so many cattle to move. We have about 9,000 cattle in our lot. That's a pretty big job. We have to take about 20 riders out there every time we move the cattle and spend a week or more to get them moved. And they don't stay moved where we want them either.

(Laughter)

**MR. WESTON:** But it's been pretty successful and one thing that helped was when the oil field moved in out there and drilled a few oil wells and we get a little money from that. We probably could never have afforded to build all these improvements. We got some water developments and we build a lot of spring developments and build reservoirs. Let's see, I guess that's about it on that.

It's been real costly. And we've had good cooperation with the BLM. And Jeff Rawsom and Jerry Beards from the (inaudible) Field Office have cooperated with us 100 percent. We've had to qualify everything with them to make it work and it's working good for us now, but I'm sure we're going to have some more problems because the environmentalists are calling the shots now.

But I think with this new management plan, I don't think they can rip because we've got the right (inaudible) areas so they're working right and everything, and that's the thing that Jeff (inaudible), double height of the range and everything.

She wanted me to tell you some of the bad things. Well I just got this paper in the mail last night. I haven't had time to study it much. But this -- I forgot the guy's name, but up in Idaho this guy that's an environmentalist that's doing all these problems for the ranchers and stuff in the area, they've come up with a deal now that they're going to make us close all the ranges starting in the desert land livestock out here just out of Evanston, clear up into the Idaho line on the west side of Bear Lake, and all those ranges out (inaudible) on the west side of the (inaudible) if we don't come up with something in the next few days, why that's going to be closed if we don't shut them down. This is the environmentalists that are doing that.

It says in this letter that it will be three years -- it will be closed for three years unless we do something drastic right quick now. So that's what we have to deal with to use this government land. I don't know why it's that way because if it wasn't for the pioneers that came out here and developed the land, you've got some deeded land to run livestock on, there wouldn't be any livestock here.

Anyway, that's about all I can tell you unless you've got some questions. Thank you.



**MR. BARRERA:** Thank you, sir. Any other people want to testify? Let's take a quick five, ten-minute break. And I would recommend that if some of you get a chance, you have some of the agencies up here, maybe talk to them during the break and they may have some questions for you and they can respond when we come back. Okay, I have about 10:35, so about 10:45 we'll get started again.

**SPEAKER:** I'm honored to be here. I wish I had a little more of the flavor of the meeting. And I apologize for being late but some of us have a lot of work responsibilities and we have to do it.

I understand this has to do with maybe once in a while a government agency stepping on some of us -- can everybody hear me -- on everybody's toes. And I would just like to tell one, maybe two little incidents.

One, this last spring I was trading back -- I run sheep down on the Rock Springs lease. I'm from Montpelier, Iowa. I'm a sheep and cattle rancher. We've been in business -- next year it will be 100 years.

This last spring as we were trading back, on April 14th, leaving the Rock Springs lease, we were all going to water gaps. And I had another obligation so I was a little late moving the camp and the guys weren't exactly sure how far to go. And one of my neighbors, wasn't trying to crowd in or anything, he got ahead of me a little bit and he said, well, go ahead, you just move ahead.

In fact this neighbor was so kind that he'd called me two or three weeks earlier -- not two or three weeks, two or three days and told me they were moving and, you know, if I wanted to get mine to go ahead.

I pulled into one of the water gaps with the sheep on the Seeskety Wild Life Refuge and I was scouting while the herders, I had two men with the herd of sheep -- while they were looking after the sheep, I was scouting ahead for the next days water. There's a little place on the north end of the Rock Springs lease where there's usually some water that kind of is off to the side and I was looking down.

As I came back I saw several herds. I went past a couple and I went back and found mine and as I got there, there were about 200 head of sheep on each side of the -- there's a little enclosure, maybe about 100 yards or slightly less where you can water the sheep on these water gaps, and I had some sheep that had crossed the rocks on both sides of that and they were watering.

Well, I also noticed that one of my -- this good friend who helped me -- this might be a little tough to explain without seeing it, but you drop off a little hill, a little rise and then there's a fence that cuts back to the Southwest and my neighbor had a herd right there on the corner of the Southwest as you come back up the hill.

I had placed my camp earlier that day to the Northwest and just behind this other herd to the Southwest was another herd, and just across the road were two other herds. So it was fairly congested. And as I got there my herder suggested rather than go back and make these other guys move their herds of sheep, it would be better for us to just follow this road approximately one mile, a gravel road, which was a direct route to the camp.

And I realized in hindsight this was poor thinking on my part but it seemed at the time like the judicious thing to do. The feed wasn't near as plentiful within the Seesakty Refuge as it was on the outside but I thought maybe the wise thing to do would be to just make a direct route to the camp rather than have -- then bunch the sheep.

From the looks of the group here, a lot of you have agricultural background and at least have worked with cattle and sheep, and anytime you bunch them and push them hard, you actually do more resource damage than if you just let them kind of go along on their own. And so I thought rather than make one or two other guys bunch their sheep and push us and us go back and make a big circle, it sounded logical.

We had about two thirds of the sheep out and a fellow came along that worked for the Refuge, packing a pistol and appearing very authoritative as I'm sure you want your people to be and yet he was very excited, and he says, do you know what you're doing? And I said, yes, I do. I didn't do it to steal feed, I did it because this looked like the wise and prudent thing to do at the time.

And I said, do you want me to have the guys bring the sheep back? The lead was about two thirds of the way. They were walking probably four to five miles an hour, which meant that about ten or fifteen minutes, we would have been through this little area. And he said, yeah, bring them back.

So I asked the guys to get on their ponies and lope them around and they brought the sheep back to that point. And the fellow said, you know, I could confiscate your truck for doing this. And I said, well, the truck maybe not, but maybe the other stuff. And he says, the fine is \$100 a sheep, which would have been about \$210,000.

And I asked him if he would -- in a kind way. I didn't -- I've made lots of mistakes in my life and I found that when I make mistakes, it's better if -- I feel much better if people correct me in a gentlemanly way and so I try to do that with others. And I asked him if it might be cheaper just to leave the sheep there and he could have them and I could leave the herders because -

(Laughter)

**SPEAKER:** -- And even though the camp was off I could bring it back on, you know, if they wanted to take it over because as much as I'd hate to go out of the sheep business, I can't afford to kind of pay more then they're actually worth to buy our own sheep back. And he said, no, you go ahead and bring them back, which we did and we bunched them and then went up around the way.

And I went up and talked to (inaudible) sheep herders and got them to go move their sheep out of the way and we made kind of a long circle. And we made it all right but I'm sure we did more damage.

But any rate, I met with -- this was the Assistant Manager who ran the thing and he was there and I also met with him and the Manager a short time later, about a week or so later to explain what I'd done. And I spent -- this was the third year I'd been down there on the lease and I hadn't had any infractions with him. And since -- and in fact I'd spent the first whole winter just outside the lease boundary.

And they said because it was a first time offense they would only charge me \$1,000 rather than the \$200,000 and something that it was. And I told them that back in Idaho in June and July, and I didn't do this to anger them, just as a matter of fact, we have a bird refuge there in Bear Lake where I live and I have a little bit of private ground there where I sometimes feed 1,500 to 2,000 geese on any given day.

I mean, I can walk out there and 200 yards from my house and geese fly up and -- and the reason for that is we have a little more water maybe than you do there, coming out of the Bear River, as well as Utah Power and Light, Scottish Power now, pumps out of the lake. And when those pastures have been grazed off in the spring and then the green grass is coming up really nice through the irrigation, a lot of animals congregate and especially the geese, and of course the deer and the elk and all of those other animals.

And I said I've never complained once to the Refuge Manager there in Bear Lake. I'd appreciate it if you'd just kind of let it go. I mean, come take pictures, call the Manager there in Bear Lake and see how my deportment has been.

And they thought -- and we called and we corresponded, not with the Refuge in Bear Lake but back and forth and to them, they were doing me a really good favor by just charging me \$1,000. I realize in agriculture, we turn a few dollars but in essence in order to stay in business, we have to just kind of take it and pay the next guy, you know, so that we can afford to do what we're doing. And so they fined me.

Anyway through the good graces of some friends, the Tolmans and Patty Smith, they met with the Congressman and they got it completely reversed and I appreciate that. But I would also say that it's very

important to not let -- a little authority sometimes tends to go sometimes to the people's head and they come off a little strong.

One other thing I'd like to mention and I've been threatened many times -- not many times but several times with this. Back in Bear Lake I run a forest and BLM ground. And one of the places on the west side of the valley where we neighbor the forest, this is the place I lease and the fencing isn't very good and as the foresters tell me -- and they're very kind.

They'll come and tell me but they say, hey, if your cattle get on there, then we're going to do permit action, which is my permit is 40 miles from there but it's still permit action where somebody else gets on who doesn't have a permit, they just fine them a small amount. And I think that area should be addressed.

I realize the federal government doesn't believe there are permits. They believe there are permits but they don't believe their rights. They think it's a great privilege to do this instead of something like a water right. Whereas we've actually had to acquire these and use them through other ways, and I think something needs to be put into affect to make it more equitable when there is some trespass. I thank you very much for the opportunity to testify here.

**MR. BARRERA:** Thank you. Okay, I believe that concludes testimony from the audience. Before moving on to talk with -- have the agencies address some of the issues, we're going to have Mary Thoman make a presentation.

**MS. THOMAN:** Okay, and I have written testimony to read it. Do you want me to do that now or after the presentation?

**MR. BARRERA:** Let's do that after the presentation.

**MS. THOMAN:** You can all just line up in the front and I'll come and explain in a minute what we're doing here.

It gives me great pleasure to have the honor of awarding some agencies that we feel have done an outstanding job with being small business friendly. And I'll start with -- I'll just randomly draw these here. We'll start with Jeff Rawsom from the Camer Field Office of the United States Department of Interior, Bureau of Land Management. Now I don't want anyone to fall over in here because I'm honoring the BLM.

(Laughter)

**MS. THOMAN:** But when agencies earn it, we are proud to present. And Jim, if you would like to help present that. Sam, would you like to help present that? The Cumberland was a special Steering Committee that

the BLM authorized permittees to form and we worked in this process for as one member says, ten days and so many months and so many hours -- ten years, and so many months and hours.

But it's been a positive experience for the most part as Sam was explaining because we have been able to continue our livestock operations, we have been able to find ways to meet the goals of preserving the resource, the right (inaudible) areas to develop water, and to have a place to go in a dry year.

So normally on a dry year they think -- maybe a month or two months earlier and we've been able with this plan to be able to keep -- how many permittees do you represent in the (inaudible)?

**SPEAKER:** Usually about (inaudible) and you have about 9,000 cattle.

**MS. THOMAN:** So there are about 20 permittees and about 9,000 cattle that run in this permit that is 40 percent federal?

**SPEAKER:** Well, it's about 60 percent.

**MS. THOMAN:** Sixty percent federal, 40 percent private land. So I would say that the BLM took a leap of faith and let us struggle form, storm, norm, do all of our things for ten years.

We are already on our second environmental assessment of projects for water improvements, for grazing plans, so it has been a positive experience. And it wasn't always that way but now the group sometimes says, oh, aren't we going to have a meeting again Jeff, because I think it's a BLM social now.

(Laughter)

**MS. THOMAN:** I'm really proud and I hope that this could be a model for a lot of other agencies to form all the interests -- we brought all of the interests in. We had a five member -- six member Steering Committee, of BLM people, of mining interests, of recreation, environmentalists, sheep ranchers, cattle ranchers and the BLM, and it has worked and we are very proud to present this.

**MR. BARRERA:** Congratulations.

(Applause)

**MS. THOMAN:** Okay, the second agency we would like to recognize. I will ask Leron Alrith to come forth and help us recognize Ed Burton of the Natural Resource Conservation Service, and Jim if you'd like to also as the Stockgrowers -- help recognize them as probably one of the friendliest federal agency. Friendly to small businesses, to AG producers

in providing that technical expertise, that technical training -- not training but the technical expertise that we need to be able to work with the confine feeding operations, to work with the government irrigation projects.

And we are just really, really proud to have an agency like that and a State Director as Ed Burton has been, so supportive and so helpful with our local conservation district and with our local producers. So Ed Burton, for Natural Resource, we would like to present -- I'll ask Loren to present you, Loren?

**SPEAKER:** Congratulations, Ed.

**MR. BURTON:** I appreciate it.

**MS. THOMAN:** Thank you very much.

(Applause)

**MS. THOMAN:** Okay, the last award but not least. Rod Krischke is the State Director for the United States Department of AG Wildlife Services Agency. And on behalf of world growers, and Brad Boner as President, and I'm also on the Federal Lands Committee of the Wyoming World Growers, it gives me great honor to present our other award to the Wildlife Services, which has greatly helped the livestock producers in dealing with the Endangered Species Act, dealing with predators.

But they've taken a leap of faith in helping us make these transitions with all these new regulations and new rules that we have to follow now that it's not the regular old (inaudible) predator. They've become the minor predator when you look at endangered species (inaudible) bears and wolves. So Jim, you may also want to help do this one.

**SPEAKER:** Yes, stockgrowers certainly concur in that.

**MS. THOMAN:** Congratulations, Ron. We're so proud of all the work you've done.

(Applause)

**SPEAKER:** That means you've got to stay around for awhile.

**MR. KRISCHKE:** I will do that. I'll pass this along to all the folks in the field.

**MS. THOMAN:** Thank you very much all of you for your help. I didn't get off so easily. I have to do some of the bad news too.

I just want to make reference to a hearing that Senator Enzi held.

It's called the U.S. Forest Service Taking a Chain Saw to Small Business. This is great reading and I recommend that our agency take it back as a resource to pinpoint some key areas of concern.

My first agency I'm representing is the Wyoming Petroleum Association of Wyoming. And I'm just going to make reference of the associations and attach the written testimony for our agency to follow up with.

**MR. BARRERA:** That's fine.

**MS. THOMAN:** So we have the Wyoming Petroleum Association submitted into the record. John Anchustegui, Boise, Idaho, a family ranching operation dealing with forest service issues, raising permit issues. And there's a letter and a signed appraisal form.

Filippini Ranching Company, Boise, Idaho. This is the Bureau of Land Management and a small ranching family. These cases, these last two were both taken all the way through the appeals process and these two individuals did win, but there are some examples of digging in the records, taking 30, 40 years of anything to use against this family to take their permits. So I think they're valuable testimony.

Another one is Regan Smith of Palo, Wyoming and he was e-mailing me or faxing and I did not get it but I'm putting it in the record. This again would be a U.S. Forest Service grazing permit and perhaps environmental issues being used to take away a grazing permit.

I also have three pages of American Sheep Industry referrals of permits that were cancelled because of I would say other or environmental issues. And this one was a lot of big horn sheep issues.

There are three pages of names of people who lost their grazing permits because of other issues. But the cases were built against them, they were notified of -- motions of violations were sent for -- anything was documented to build a case against them for them to lose their permits.

High Desert Polaris of Rock Springs, Wyoming, I'm just airing this for the record. They're concerned with issues of access and how it has affected their small business with ATVs and snow issues, access on public land.

Another one I have and we have to follow-up, is Anita Way of Pingman, Arizona. This would be grazing issues. Thank you, sir.

**MR. BARRERA:** Was there another one, Alyse Staley that inaudible).

**MS. THOMAN:** Oh, yes. There's also another one I'm following up

on. The case has been resolved. This was an issue with a small restaurant -- drive through restaurant type of business, who received an \$11,000 fine from the Federal Communications Commission because his frequency -- some other business picked it up anyway.

The case was resolved by Senator Thomas' but the fact that the FCC would come at a small business with an \$11,000 fine because his speaker box when you order a sandwich was infringing on another.

**MR. BARRERA:** Thank you.

**MS. THOMAN:** Thank you.

**MR. BARRERA:** And I think it's important to point out that what our office can do is that we may not necessarily be able to resolve the issue but I think it's important for the Senate Small Business Committee and the House Small Business Committee that they hear these issues, and that we take in the information and we present that information to them so they can know what's going on out there.

And so even if you have an issue that got resolved, please let us know, give us an appraisal form so we can make it part of our record and report that back to the Senator and some of the other congressional people.

Okay, I guess the next part is to go to the federal agencies and maybe start addressing some of the concerns that were brought up here today. I guess BLM would probably be the first. Anyone want to step forward?

**MR. RAWSON:** Do you want a specific response to each of the issues raised or I'm not sure exactly what format you want.

**MR. BARRERA:** That might -- just go to the different people that testified and go over their different issues and maybe have a general response and maybe work with them how we can follow-up with resolving their issues.

**MR. RAWSON:** Okay. The first one that Mr. Magagna presented, several issues with the Jack Morrow Hills and I know there are concerns there. I can only speak in generalities for a lot of these things and will pass on the concerns that I heard here today to the other respective field managers in the state as well as our State Director.

I can go over there if you'd like, I'm sorry. But I know specifically with Jack Morrow Hills, it has been under a lot of scrutiny and work over the last several years, and we are taking another look at that in which I'm sure that Mr. Magagna's concerns on that will be considered, you know, as that's being developed.



There's a point on the range improvements, reservoirs maintenance. Hopefully there would be some common ground in that respect. You know, I think there needs to be -- we'd have to take a look into some of those specific instances.

Certainly we provide cooperative agreements for range improvements on public lands for livestock grazing operations and we do very matter of factly, expect and require that maintenance to be done.

So if there's a way to make that so it gets done quicker and easier, I would like to think that that would be the avenue that both sides would like to hear on that and we can pursue taking a look at that as well, rather than trying to put up -- we certainly don't want any impediments or roadblocks to somebody who wants to maintain their range improvements.

Mr. Erramouspe I believe had a concern on access. That is always -- it is a big concern throughout Wyoming public lands as well as through private lands. You know, I guess the overall thing I'd like to say, we will not and do not deny somebody access to their private lands. If the only reasonable access there is across the public lands, we do provide that type of access.

And not having known the specifics other than what Mr. Erramouspe presented, our normal process for doing that is to issue a right a way on that to somebody, to allow them to have access to develop a road and be able to maintain that road.

So we will again, pass it on to our State Director and Field Manager and see if we can't hopefully resolve that situation, as I think your desires were as well.

I've already -- the Bluemel's concerns, we set up a time hopefully after this meeting to try and review some of those issues. Again, I think they're some access concerns there and we'll certainly try and see what we can do to help resolve the problems in that regard.

And I believe that was the bulk of the issues. I appreciated Sam Weston's comments and we have had a lot of concerns. And I also very much appreciate the award being presented. I was not quite ready for that and I very do much appreciate that.

We try and have a very intensified management working the local as well as any other concerns that Mary referred to as our Coordinated Resource Management group or that Steering Committee, and trying to get the resolution of those problems satisfied by everybody.

If we can all come to a consensus on those things, there's no need for us as the BLM to come up with possibly an adverse decision to anybody, because we reached consensus on that. And that's a process

we've used in that area and I think as Jim pointed out, we've had a great amount of success in doing that and resolving our (inaudible) concerns and issues with livestock grazing as well as with wildlife management in that area.

So in that respect I would thank everybody for making their comments and we will follow back up with those. I'll be glad to talk as I mentioned with the Bluemels. Be glad to visit with anybody here after the meeting to get some more specifics on each of those cases and I will relay them to our State Director and see what we can do to help people out with that.

**MR. BARRERA:** And just for the record, say your name.

**MR. RAWSON:** My name is Jeff Rawson, Field Manager with Kemmerer Field Office, Bureau of Land Management, in Kemmerer, Wyoming.

**MR. BARRERA:** Anybody who he talked about has anymore questions or response? Okay. Let's just start over here with Ed. Ed, any issues that you heard that you think you can respond to?

**MR. BURTON:** My name is Ed Burton, State Conservationist for the NRCS here is Wyoming. It has been a good experience for me to participate in this and I complement the process.

I personally believe that the process that's in place to try to have fairness in regulatory responsibility is important. It needs to be followed up on. I wholeheartedly support that. I work for an agency whose mission is based around voluntary incentive based approaches to achieving resource conservation on private and non-federal lands so that's obviously my ethic.

I do recognize -- I suppose that there is a role for laws in this land in order to keep us safe and that sort of thing, but I personally believe that government needs to be more accountable, more responsive, and we need to use fairness, and equity, and integrity, and common sense with a lot of practicality. And if we would work towards the things like Jeff's talking about, consensus and getting these issues resolved, we should be able to eliminate a lot of these problems and prevent them from ever happening.

I have to admit I'm a little shocked today. I'm probably insulated because I don't get involved in regulatory issues --from some of the stories I've heard here today, and I sincerely hope that this process can make a difference in resolving some of these really -- I consider very scary issues on the liberties of America.

And I just commend Senator Enzi and all of those who helped this process to happen and hope that we can be really successful in having

this achieve the objectives for which it was set up.

Thank you for the award and it's a pleasure to be here.

**MR. BARRERA:** Joy, if you have any comments about -

**SPEAKER:** I don't have any because none of the issues related to my agency at this time.

**MR. BARRERA:** Okay.

**MR. KRISCHKE:** Well, I'm Rod Krischke with Wildlife Services under (inaudible) umbrella of USDA and I would like to thank Senator Enzi for this meeting and Mr. Ombudsman -- I did pretty good on that.

**MR. BARRERA:** My name's the only other thing harder to say than Ombudsman.

(Laughter)

**MR. KRISCHKE:** -- And for inviting me to this meeting. I take a lot of pride in working for the government and we feel a lot of frustration in hearing the struggles of people who are having conflicts with the government. And if you're faced with a problem that my agency is causing you or is a problem that we can help you with, please feel free to call on me. I would be really glad to talk to you about it and see what we can do to find solutions. Thank you for the award.

**MR. RYBERG:** Steve Ryberg, I'm the District Ranger with the Wasash Cash National Forest here in Evanston and Mountain View. I too would like to thank everybody for the opportunity to come here and be involved in this and to hear some of the concerns and be able to hopefully clear up a few issues.

The two issues I heard and I won't go into a lot of detail with them, were the Wasash Cash Forest Plan. That's a document who is -- and that was involved with the idea of roadless areas.

The Wasash Forest Plan was first completed in '85 and we're undergoing a revision process as mandated by the National Forest Management Act. As part of that process, one of the key things that Act calls for us to do is to reevaluate roadless areas for possible inclusion in the recommendation to Congress for inclusion in the National (inaudible) Preservation System.

That's one of the things that we're doing. Our draft came out in May. It was a little bit confusing because that was the same time as President Clinton's Roadless Initiative had taken affect and it had also been under injunction by a judge in Idaho.

On our draft, EIS, we went to print before May so we had to make a good guess about what we thought was going to happen there and where we could set ourselves up in a policy standpoint that we could move ahead between draft and final, and be able to respond to any legal judgment that came out of that.

So what we did in our draft plan, in our EIS, we had six alternatives that applied the conservation strategy, six alternatives that didn't. We think that position is well between draft and final to look at the current legal standpoint where we are, the current administrative policies, and the direction we're headed and chart a course somewhere in between there. So we actually think we're on good legal footing in that regard.

We've just gone through a process of public hearings. We had one here in Evanston just last week where we were taking public comments and had a good turnout. I appreciate the people that came out.

We had a bigger turnout here in Evanston than we did in Salt Lake, which is quite a statement for how important the local people here feel about it so I think that was good.

So as we move between the draft and final we will continue to involve the public in that process, keep people aware of it. We have a mailing list of over 2,000 people that have been interested and we're continuing to dialogue with people on that.

If people have issues or questions, I'm certainly available here in Evanston, or Mountain View, or our supervisor's office in Salt Lake.

The other issue I heard was grazing permits. Of course that's always a controversial topic on both sides. I think being a decentralized agency in the Forest Service, I think I can speak for my counterparts and other district rangers, is really the first thing that's important with that is to establish a relationship between the permittee, the range conservationist, and the district ranger.

The best thing to do is get involved early on if there are some issues to talk about. We try to hold an annual meeting with our permittees. We try to let permittees know just from a simple phone call if there's a problem we're seeing on the allotment so they have a chance to correct it.

If it escalates past that, you know, we go through a whole process of multiple letters, a show cause letter where they have an opportunity to make their case. And then before any permit action is finalized, a formal appeal process that people can go with inside the agency. You don't have to have a lawyer to do it -- that you can always have a different sounding board and have that decision reviewed by, you know, my

supervisor.

So I would just encourage grazing permittees, you know, to work with your local range conservationist or the local district ranger to work through those issues.

**SPEAKER:** I'll defer to the boss.

(Laughter)

**MR. COCHRAN:** John Cochran, State Director for USDA Rural Development. And I didn't hear any adverse or related comments related to rural development and I guess that's good. Unfortunately it may be a result of not knowing much about USDA Rural Development.

But I won't use this forum to talk about our Programs, but I'd be glad to meet with any of you after the hearing to talk about Rural Development programs and what we've done in Wyoming because we have an awful lot of tools available to assist rural folks in towns and communities in Wyoming.

I did want to share Peggy's concerns and I met with her during the break. Not to be critical of any other federal agency, certainly constructive criticism perhaps is in order. But many times Senator, the rules that we have before us don't allow us to be anything but unresponsive bureaucrats, and this issue dealt with us trying to change a contract for when our folks travel.

We had some national firm, I won't mention their Name, but they were very unresponsive. And when that contract expired, we tried to go local with a local travel agency. The regulations in place by GSA just would not permit us to do that and we ended up with another out of state firm. And that was a real big -- real disappointment.

And so whatever we can do -- you know, many times we support what you're trying to do but our hands are tied as well and that might be an example of that.

Other than that I just want to thank you for the opportunity to be here today. It was a new experience for me and I appreciate that opportunity.

**MR. BARRERA:** Okay. We appreciate all the federal agencies that showed up to sit here and listen to the concerns. We know that Senator Enzi has been a great advocate on behalf of Wyoming small business and we know that he has some place that he has to be at, but I wanted to give him an opportunity to address everyone.

**SENATOR ENZI:** I just wanted to make a couple of closing comments

here because I really do appreciate the agencies and I know how difficult it can be when you're at a hearing and your agency is being given some suggestions.

It's a normal tendency to be very sensitive and reactionary and I want to thank all of you for being sensitive but not reactionary and for absorbing what these folks had to say and I think some progress can be made.

A lot of suggestions were given today. I'm impressed always at how the folks out here in the West don't just have complaints, they've got solutions as well. That's a very important part and that showed up in all of these presentations that were done today, some nice concise things that I can take back again.

As I mentioned before, I've been taking these ideas out. The usual approach by some of my colleagues is that it's too simple, where did you get an idea like that. But enough of them have joined me on those simple solutions and they found out that they worked and so they're very happy to work on some of those same ones now without some of the selling that we had to do before. And I have quite a list of things here that we can do.

Now some of the things that you mentioned are specific problems that our delegation and other delegations will work on with you and on your behalf. But the purpose of the hearing today was to get -- and the specific examples are extremely helpful with it, but to give us a feeling for the overall problem so we can see if we can reach a solution and keep people from having the same specific problem in the future.

Mary, I want to particularly thank you for your efforts at getting people together and getting some testimony together and for all of the effort that you make.

I did notice, in particular some of the early presentations that fear of retaliation, and I had mentioned that the agencies are not allowed to retaliate at what you say in the hearings. I realize that that doesn't give you much confidence in that.

But one of the reasons that we have the Ombudsman in the SBA is so that you can share from a different level. Instead of going directly to the person that you've got a problem with, where that sensitivity comes into play, you can go to the Ombudsman and have some security with the information that you're dealing with, some insulation that will hopefully allay your fears about what could happen.

So that's a nice addition to the Small Business Administration that I think Wyoming folk and the other folks in the West can take advantage of.

It is interesting the different flavor on different hearings that are held. We had the one presentation by travel agents and normally we get a lot more small business comments from other kinds of business. This one has been more on forest and grazing issues but all of the hearings that are being held are extremely helpful.

And I want to congratulate the Small Business Administration for their commitment, for writing a Mission Statement, a measurable goal that says that they're going to hold these hearings and they're doing it. And I'm particularly pleased that they picked Wyoming for one of their hearings.

So I thank everybody for their participation today and hope that you'll stay around and visit with the folks more. And again, I really appreciate the federal agencies that came and put themselves in a position where they could have that level of sensitivity and reaction that's very important. Thank you.

**MR. BARRERA:** Thank you, Senator. I think that will conclude everything. But just to reiterate that I know there was a big concern about the retaliation. Under the law that empowered my position, we're required that if anyone feels that they need to file a comment, they can do that anonymously and we are required by law to keep your name anonymous. But it's important that we hear the information so that the Senators and Congress people can hear this, but we understand the concerns.

One of the major goals of our agency and Administrator Beretta is that we have a zero tolerance for retaliation. It's not going to happen overnight but the more stories that we get to let people know -- because a lot of times in Washington, I think the agencies in Washington, they don't want retaliation but I don't think the word is always getting down to the field.

We need these examples so we can take it to them and say, we understand this is what you want but it's not happening. So anything you can get us, let us know.

Another issue we saw is the failure for a timely response. People waiting four years to get a response and that costs you a lot of money, not just getting lawyers but just in your time. People don't realize how much money that is. Small business does not have time to spend all these hours trying to get an answer, so that's another major concern.

And we'll take this message back and do the best we can. With the help of Senator Enzi and the other people on the Hill, we'll do our best to make a more fair regulatory environment for small business. We appreciate your time.

**SPEAKER:** There are comment forms on the registration table if you came and testified and you'd like your comment submitted to the Office of the National Ombudsman so that a relationship can be made at that level with the federal agency.

If you fill out a form before you leave - and there's a check mark on there if you wish to be anonymous or if you wish to have your name, however you'd like it to be done. But we would encourage you to fill out a form and that way we can begin the process to help you on an official level.

**SPEAKER:** It's not hard. It's just one page.

**MS. THOMAN:** And my business cards are on the table too if you want to contact me personally. Take cards and hand them out. I've gone through one box. I might as well finish up the second box.

**MR. BARRERA:** Thank you, everyone.

(Whereupon, the foregoing proceeding concluded)